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transactions of this merchant are considered to be those of a dealer, then he will be subject to sales tax. There is nothing like exemption here."

SRI B. BHIMA RAO :—" Sir, what is the provision of the Sales Tax Act under which he applied for exemption and the Board of Revenue granted exemption?"

THE HON. SRI B. GOPALA REDDI :—" No exemption is given. It is only a question of the Commercial Tax Officer going into the transactions of each individual merchant to see whether they are dealer's transactions or agent's transactions. If the Officer considers they are dealer's transactions, then he levies the usual tax."

SRI R. SURYANARAYANA RAO :—" Sir, it seems to me that there is a misunderstanding regarding the interpretation of the words 'dealer' and 'commission agent'. I remember the Hon. Minister promised to have this question examined last time. May I know whether it has been examined?"

THE HON. SRI B. GOPALA REDDI :—" Sir, the Sales Tax Advisory Committee went fully into the question in consultation with the representatives of the commission agents in the City and the mufassal. They have come to some conclusions which will be incorporated in the rules. I may also say that the commission agents are satisfied with the amendments. When they are put into practice, much of this difficulty will not arise."

SRI B. BHIMA RAO :—" May I know, Sir, whether any other person has been granted similar exemption anywhere in the Presidency?"

THE HON. SRI B. GOPALA REDDI :—" Nobody applied for exemptions and no exemptions are given. Each individual transaction will be gone into by the Commercial Tax Officer concerned."

SRI B. NARAYANASWAMI NAYUDU :—" With reference to clause (*b*), was any application for exemption received from this merchant?"

THE HON. SRI B. GOPALA REDDI :—" No, Sir."

Cases preferred by commission agents of Adoni.

* 121 *Q.*—SRI B. BHIMA RAO : Will the Hon. the Minister for Finance be pleased to state—

(*a*) whether the merchants doing commission business in Adoni of Bellary district filed suits against the Government of Madras in the District Munsif's Court of Bellary and obtained decrees to the effect that they are not liable to pay sales tax under the Madras Act IX of 1939;

(*b*) whether the Government of Madras preferred appeals against the said decrees to the District Judge of Bellary and whether he dismissed the appeals;

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(c) whether the District Judge of Bellary has held that realizations of Dalali and other incidental charges from both sellers and buyers does not amount to infringement of the terms of the licence under section 8 of the Act;

(d) whether the merchants of Bellary doing commission business in the same manner were prosecuted for non-payment of the tax and the sales tax realized from them under the threat of prosecution;

(e) whether notices have been issued by the commission agents of Bellary demanding refund of the taxes paid by them, and if so, whether the Government have decided to refund the same to the merchants; and

(f) whether the Commercial Tax Officers are realizing sales tax from Dalali merchants of Hospet town as well as other places in Hospet subdivision?

THE HON. SRI B. GOPALA REDDI :—" (a) Out of 64 commission agents in Adoni who were assessed to sales tax, four filed suits and obtained decrees in their favour.

" (b) Appeals were preferred on behalf of the Government and they were dismissed by the District Judge, Bellary.

" (c) Yes.

" (d) The District Judge dismissed the Government appeals mentioned in clause (b) on 19th July 1948. Certain prosecutions had been launched before that date and been withdrawn on payment of tax.

" (e) Eight notices of suit under section 80 of the Code of Civil Procedure have been received from the commission agents of Bellary demanding refund of the taxes paid by them. Three suits were filed in the Court of the District Munsif of Bellary of which two were decided against the Government and one in favour of the Government. No decision to refund the tax has been taken; the decision in each case will depend on the award of the court.

" (f) Dalali merchants of Hospet and of other places are being assessed to tax in accordance with the provisions of the Act."

SRI B. BHIMA RAO :—" Is the Hon. Minister aware that the business transacted by the commission agents in Bellary and Hospet is the same as that transacted by the commission agents in Adoni?"

THE HON. SRI B. GOPALA REDDI :—" I do not accept it. Each merchant's transactions will be gone into. The [illegible] in which he keeps his accounts, the way in which he [illegible] his commission from the buyer and the seller—all [illegible] will be gone into by the Commercial Tax Offi[illegible] and orders passed by him."

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SRI B. BHIMA RAO :—" Sir, was not a stereotyped order passed by the Commercial Tax Officer in the cases of commission agents of Bellary to the effect that they have infringed section 8 of the Sales Tax Act? "

THE HON. SRI B. GOPALA REDDI :—" It may be that when the officer is convinced that they are not all of them commission agents but dealers, he may send a stereotyped order under section 8 of the General Sales Act that they are subject to sales tax. If the merchants are aggrieved they may appeal to the Board of Revenue; if they are still aggrieved they can go to a court of law, as has been done in many cases in Bellary district."

SRI B. BHIMA RAO :—" My point is that the business done by the commission agents of Hospet and Bellary is on the same lines as that done by the commission agents of Adoni and there is absolutely no difference whatsoever."

THE HON. SRI B. GOPALA REDDI :—" There will be some little difference in the way they maintain their accounts. The aggrieved parties may take the matter to the proper quarters."

SRI B. BHIMA RAO :—" Is it not the duty of the Hon. Minister to have an enquiry made into the matter? "

MR. PRESIDENT :—" If the hon. Member has any particular grievance, he may put it in writing to the Hon. Minister and ask him to take action."

SRI B. BHIMA RAO :—" The public opinion in Bellary is that the Adoni merchants are treated differently from the merchants of Bellary and Hospet. This invidious distinction must not be made by the Government. That is why I have put this question."

MR. PRESIDENT :—" If you want anything to be done, you must ask the Hon. Minister to look into it."

SRI B. BHIMA RAO :—" I would request the Hon. Minister to see if the cases are not all similar and if similar treatment should not be accorded to the commission agents of all the places."

THE HON. SRI B. GOPALA REDDI :—" My difficulty is this. The Board of Revenue is a statutory authority under the Act. Their orders are final. The Government have no powers to revise or amend any of their orders. It is open to the aggrieved party to go to a court of law and get redress. The distinctions made in certain localities in the same district may be due to different constructions placed on the rules by the officers concerned. Here also it is up to Board of Revenue to see that equal justice is done to all the localities in the district and in the Province."

SRI B. BHIMA RAO :—" Sir, have the Government preferred any appeal to the High Court against the judgment of the District Judge of Bellary? "

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THE HON. SRI B. GOPALA REDDI :—" We preferred an appeal to the District Judge in this case and that was dismissed. I do not know whether any appeal has been preferred to the High Court from the judgment of the District Judge."

SRI B. BHIMA RAO :—" Has a similar appeal been preferred to the High Court against the judgment of the District Judge of Ellore? "

THE HON. SRI B. GOPALA REDDI :—" Yes, Sir."

SRI B. BHIMA RAO :—" Sir, are the Government taking any action to expedite the disposal of the cases by the High Court so that there may be uniformity of treatment in regard to all the commission agents throughout the Province? "

MR. PRESIDENT :—" I do not know what you would like the Hon. Minister to do."

THE HON. SRI B. GOPALA REDDI :—" It is for the High Court to dispose of their cases as expeditiously as they can. They may have their own difficulties."

Recommendations of the Rayalaseema Co-operative Enquiry Committee.

* 122 *Q.*—SRI C. N. MUTHURANGA MUDALIYAR : Will the Hon. the Minister for Local Administration be pleased to state—

(*a*) what action the Government have taken on the main recommendations of the Rayalaseema Co-operative Enquiry Committee; if no action has been taken so far, whether the Government propose to take any action at all;

(*b*) what interests are represented by the Members constituting the Committee;

(*c*) whether it is a fact that both the Provincial Co-operative Bank and the Provincial Land Mortgage Bank are opposed to the two main recommendations of the Committee, viz., (1) Abolition of Primary Land Mortgage Banks and District Central Banks, and (2) Introduction of limited liability in village credit societies; and

(*d*) what the cost to the Government is on account of the appointment of this Committee?

THE HON. SRI K. CHANDRAMOULI :—" (*a*) to (*d*) The answer* is printed and placed on the table of the House."

SRI C. N. MUTHURANGA MUDALIYAR :—" May I know whether the Directors of the Provincial Co-operative Bank and the Land Mortgage Bank are opposed to the recommendations of the Committee? "

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* Printed as Appendix I on pages 550–560 infra.